

## 2. The Impact of Structural Adjustment Programmes to Rural and Agricultural Development: Some Experiences from Tanzania

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シリーズタイトル(英)	Africa Research Series
シリーズ番号	6
journal or publication title	Structural Adjustment and African Agriculture
page range	49-70
year	1994
章番号	2
URL	<a href="http://hdl.handle.net/2344/00016678">http://hdl.handle.net/2344/00016678</a>

# THE IMPACT OF STRUCTURAL ADJUSTMENT PROGRAMMES TO RURAL AND AGRICULTURAL DEVELOPMENT: SOME EXPERIENCES FROM TANZANIA

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## Introduction

Structural Adjustment Programmes have been introduced by the International Monetary Fund and supported by the World Bank to many developing countries which have been experiencing economic crisis. Agreements with other bilateral and multilateral agencies have been signed only after the IMF prescriptions have been accepted and fulfilled adequately by the concerned countries. Hence many developing countries, especially those in Africa, have found themselves forced to introduce Structural Adjustment Programmes (SAPs) without grasping adequately the effects that may follow the introduction of such programmes. These may have been anticipated by the experts within the IMF structure and systems or may have been latent.

Currently many countries which had introduced such programmes are experiencing some socio-economic problems. They are, however, told by the IMF experts and those in support of such programmes that the difficulties they are now experiencing are temporary since after a while their economies will improve and people will enjoy prosperity.

The aim of this paper is to describe and analyze some of the experiences Tanzania is undergoing as a result of adopting the Structural Adjustment Programmes. It is based on some secondary as well as empirical studies that have been conducted in the country, some of which the author of this paper has participated.<sup>1</sup>

## 1. The Nature of Tanzanian Economy

### (a) General Developmental Trend and Context

Tanzania is predominately agricultural economic oriented country. Almost 85 percent of the estimated 25 million people live in rural areas cultivating family farms. These rural people are the one who support the national economy for as it is noted in Table 1 below, the agriculture contributes about 48 percent of the GDP. It is also known to have contributed 85 percent of the foreign money. The peasants cultivate family farms which are between 1-5 ha. In these farms they cultivate both food and cash crops. The Tanzanian peasantry as a whole live in and practice subsistence economy. Plantation economy is very limited indeed to few people and is dominated by cash crops like sisal, coffee, sugarcane, tea and tobacco.

Agriculture as a backbone of the Tanzanian economy is mainly rainfed. Hence if the weather changes it affects the production level. Very few areas have introduced irrigation agriculture like that in lower Moshi in Kilimanjaro under the Japanese government assistance. Other agencies and/or governments which have stepped in to introduce irrigation farming in Tanzania are the Chinese in Mbarali, the Korean in Dakawa and FAO in Usangu plains. Currently the whole country is experiencing draught and this may affect agricultural production in the country. Food shortages are expected.

In matters of contribution to the domestic product, agriculture still stands out as the main contributor in matters of money. In Table 2, we see that agriculture has been increasing its contribution to the national product since

Table 1: Growth Trend of GDP 1989-91 (Selected Components)

Component	Real Change (%)			Share in GDP (%)	
	1989	1990	1991	1990	1991
TOTAL GDP(fc)	3.3	3.5	3.8	100.0	100.0
Agriculture	4.6	6.6	4.6	47.9	48.2
Mining	0.7	18.7	45.5	0.5	0.8
Manufacturing	7.7	-2.5	4.3	7.9	8.0
Construction	-27.1	9.2	2.7	3.2	3.2
Admin and Services	4.0	2.2	1.8	12.1	11.9

Source) *Tanzania Economic Trends* Vol.4 No.3-4 1992 p.5.

Table 2: Selected Gross Domestic Product by Economic Activity at Current Prices (in TSh. millions)

Economic Activity	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
1. Agriculture, Forestry, Fishing and Hunting	12506	14728	16636	20338	26449	32737	41295	61231	84153	117982	178760	207059	233804	358693
2. Mining and Quarrying	228	284	329	299	266	249	337	251	474	645	723	1129	4815	6975
3. Manufacturing	3859	3868	4097	4501	4361	4869	5932	6665	8551	14792	15187	15197	18301	20680
4. Electricity and Water	261	275	424	423	421	514	551	1071	1488	4992	4628	4842	7438	8395
5. All Industries	29271	33161	38419	45026	53906	63900	79654	109889	143411	206821	298040	353548	425979	602736

Source: Extracted from *Tanzania Economic Trend* Vol. 5 No. 1-2 (1992) p. 63 Table 1.

1978. Such figures, however, have to be correlated with the population growth and the land utilization as it will be described briefly below. For without such correlation, one cannot understand the experience people are undergoing with regard to agricultural production.

As it can be noted in Tables 1 and 2, industrial contribution to the Domestic Products is still very minimum when compared with other sectors' contribution. Thus economy is still dependent on agricultural development. In spite of its overall significant contribution to the national economy, it is noted that due to various reasons, bad weather included, its contribution to the Gross Domestic Product declined slightly. It grew by 4.6 percent which was less than the 1990 growth level of 6.6 percent. Such growth has not reached the Second Economic Recovery Programme ERP-II(ESAP) projected level as initiated by the IMF.

## **2. Population and Farming System**

As noted above, population in Tanzania stands at about 25 million people (1993). In 1988 (the last census results) there were 22.5 million people in the mainland Tanzania, inhabiting 881,289 square kilometer. This means that the density was about 25.5 person per square kilometers. Although ecological zones differ in matters of population density whereby the agricultural zones like those of Kilimanjaro, Mbeya, Kagera, Mwanza, Mara and Mtwara are facing population pressure, as a whole, Tanzania is considered to have low population density (Sarris and Van den Brink 1993:5) It is estimated that it is only 5 percent of the total land area that is cultivated. The country could support some kind of other agricultural activities if appropriate technology and improved farming system could have been employed (Land Resources Development Center 1987).

In Table 3, some selected farming systems are presented for the sake of information to the readers, the various use of land and the sizes involved. But there are also other issues which we need to note, especially in relation to the effect of Structural Adjustment Programmes in Tanzania to the peasants as revealed in Table 3.

From Table 3 one can see the diversity of farming system in Tanzania. Both types of crops (cash and food) and acreage sizes vary very much from one area to another. For example, the average farm size is 0.78 ha in Kagera and is 4.35 ha in Singida. In matters of types of crops cultivated by peasants, it is also of interest to the discussion of this paper. While in Kagera almost 80

Table 3: Some Selected Farming Systems and Acrages Share of Farm Area

Region	Av. Farm Size	Export Crops	Food Crops
Arusha	1.00	Coffee, Banana(0.56)	Maize, Beans, Vegetables(0.29)
Coast	3.65	Cashewnuts, Coconuts (0.76)	Rice, Maize(0.15), Cassava(0.06)
Iringa	2.32	Tobacco	Maize, Beans, Vegetables(0.52), Millet(0.36)
Kagera	0.78	Coffee, Banana(0.80)	Roots(various), Pulses(0.17)
Kilimanjaro	1.18	Coffee, Banana(0.66)	Maize, Beans(0.31)
Kondoa	2.88		Maize, Millet(0.29), Sorghum(0.20)
Mara	1.85		Cereals, Pulses(0.51), Sweet Potatoes(0.43)
Mbeya	1.68	Coffee, Banana(0.18)	Maize(0.40)
Morogoro	0.99	Cotton(0.06)	Maize(0.39), Rice(0.22), Sorghum(0.14)
Mtwara	1.38	Cashewnuts(0.29)	Cereals, Pulses(0.31), Pulses and Root(0.23)
Ruvuma	3.24	Tobacco(0.05)	Maize, Beans, Cassava(0.24), Millet(0.20)
Shinyanga	2.66	Cotton(0.13)	Maize(0.37), Maize and Sorghum (0.14)
Singida	4.35		Millet, Maize, Sorghum(0.08), Pulses(0.17)
Tabora	1.29	Tobacco(0.06)	Maize, Groundnuts, Cassava(0.50)
Tanga	1.24	Cashewnuts, Coconuts, Cassava(0.46)	Maize(0.14) Maize, Rice, Maize/Cassava(0.50)

Source: Adopted and slightly changed from Sarris and Brink 1993 Table I p.29.

percent of land is devoted to cash crops production, mainly coffee production, it is 76 percent in Coast region and almost nil in most of Central Tanzania regions - Singida and Dodoma.

The interesting thing to note here is that in Tanzania, peasants practices intercropping system where perennial crops are cultivated. For example maize is planted with beans, and sometime maize, beans are planted with coffee trees. But crops like cotton does not allow the inter - cropping system. Hence in Mwanza it takes 25 percent of the total farm area, 13 percent in Shinyanga and 6 percent in Morogoro.

It is therefore very important to understand such varieties of farming

system for, although the effect of Structural Adjustment Programmes may be generalized, there are areas which will be affected more than others by the programmes due to the nature of farming system being practiced in the areas. It is also very important to understand the farming systems, for given the agricultural growth which has been in the average of 2.9 percent for the year 1976-1989 (Sarris and Brink 1993:18; Stewart 1986), the various agricultural systems practiced by peasants respond differently when the rainfed agricultural economic production is faced by crisis.

One thing which they all share is when the economic crisis involves foreign dependency in matters of input availability which have to be imported by using foreign money. In relation to the theme of our paper, foreign money has become a problem as it will be noted in the third part of this paper due to devaluation process instituted by the IMF through SAP and the aftermath of such a programmes.

Before we discuss the effect of SAP to the agricultural production in Tanzania let me bring to the attention of the readers the nature of the programmes.

### **3. Structural Adjustment Programmes in Tanzania**

#### **(a) General View**

There are two types of adjustment strategies which can be differentiated in this paper. First, there are stabilization policies and strategies which economists may prescribe from time to time to the ailing economy (Ndulu 1987). Second, there are Structural Adjustment Policies which may be internally or externally conceived and prescribed.

Stabilization policies induce adjustments mainly through demand effects. These may involve as part of the policies, fiscal and monetary restraints and devaluation of currency. They can further involve devaluation which will touch the real income among the people, especially the wage earners. But the same can lead to the reduction of domestic demand for import.

This may help the nation economically for it reduces the import bill on one hand but expand the export to help achieve the balance of payments within a short time (one to two years). In doing so, very often the process achieves its objective at the expense of income growth among the people.

Structural Adjustment policies put emphasis on the supply side. The policies seek to tackle balance of payments problems by expanding and

diversifying the production of the exportable. The aim is to achieve the set objectives within 3-5 years. In this way more emphasis is put on growth and balance of payment. Various mechanisms are devised, many times without any consultation with the country which will implement the programme. They are a ready made solutions to the economic problems. What makes SAP very special for us is that the programmes are normally being introduced in developing countries in response to conditions set by the IMF and the World Bank. They put pressure on countries with balance of payments deficits so as to reduce their deficits but do not put the same pressure on countries with surpluses.

The success of Structural Adjustment programmes, is thought, depends on international capital market. The international capital market operators concentrate on how much money they can make each day rather than a healthy internal economy. Each country and government is advised individually on how they can pay their debt through external borrowing; adjust domestic economy through devaluation of currency, reduce domestic money circulation and sizing of institutions through re-entrenchment process. The local economy is linked to the international marketing system through liberalization policies (Ominde 1989).

The aim of SAP as introduced by the IMF and the World Bank is to reduce the role of the state in running the economy. But by doing so and in relation to the theme of the paper under discussion they introduce either international capital institutions or multinationals who can afford, for example, to buy the crops according to the already set prices, to buy and run big plantation sometimes as joint venture. Sometimes even the local industries are assigned to the foreigners in the name of investment pattern.

#### **(b) Structural Adjustment Programmes in Tanzania**

Structural Adjustment Programmes as a process that involves the implementation of a series of policy measures, has a history in Tanzania. Before the government of Tanzania signed an agreement with The IMF in 1986, there were stabilizing policies which were introduced in the country. The economic crisis which the country experienced beginning in late 1970s after the war with the Iddi Amin of Uganda forces and other shocks (Omari 1989; Ndulu 1987) forced the government to act so as to remedy the situation. Between 1980-1982 the government of Tanzania introduced the National Economic Survival Programmes - NESP. Between 1982-85 the First Structural Adjustment Programme was launched. These two programmes



were not successful for they were frustrated by the low import capacity and unavailability of sufficient foreign capital inflows (Mtatifikolo 1993). Tanzania has been used with foreign assistance for a long time for its development programmes but during the economic crisis, the inflow of foreign capital was slowing down partly because of what is generally termed as "donor fatigue".

The two programmes have been criticized as a failure because they could not achieve the stated goals which were: achieving positive growth rate in per capita income; lowering rate of inflation and restoration of a sustainable balance of payment position (Mtatifikolo 1993:4).

As a result other vigorous programmes aiming at making Tanzania come out of its economic crisis were introduced. Between 1986-1989 the first Economic Recovery Programme was introduced. After it was completed and an evaluation was carried out, it was found that the country needed another programme. So the second programme which was given the name of Economic and Social Action Programme (ESAP or simply ERP II) was introduced in 1990. This was to run through 1992 when an evaluation was to be carried out again to assess the outcome. It is logically that ERP II was built on the ERP I experience. For even the objectives differ considerably but somehow show the relationships. In any case Tanzania has been under structural adjustment programmes since early 1980s.

For the benefit of our readers, let me run through the main objectives in ERP I and II as outlined for Tanzania government to implement so as to see their relation to the theme of our names.

The major objectives of ERP I can be summarized as follows:

- (i) To increase the output of food and export crops through appropriate incentives for production, improving marketing structures and increasing the resources available to agriculture.
- (ii) To rehabilitate the physical infrastructure of the country in support of directly productive activities;
- (iii) To increase capacity utilization in industry through the allocation of scarce foreign exchange to priority sectors and firms; and
- (iv) To restore internal and external balances by pursuing prudent fiscal monetary and trade policies.

As one can note, the agriculture sector is specifically targeted in objective one above. Other objectives also touch the peasants perhaps indirectly than the first one. In order to see the differences, let me summarize the objectives of ERP II (ESAP) as follows:

- (i) To increase domestic production of both food and cash crops.

- (ii) To revamp the industrial sector.
- (iii) To restore the internal and external balances by pursuing appropriate fiscal, monetary and trade policies.
- (iv) To reduce the rate of domestic inflation from about 28 in 1988/89 to below 10% in 1991/92.
- (v) To rehabilitate the physical infrastructure, in particular transport and communications, in support of directly productive activities.
- (vi) To restore efficiency in the mobilization and the utilization of domestic resources.
- (vii) To rehabilitate the social services by identifying and designing appropriate strategies and programmes that would enhance people's participation in the operation and management of these services.

Perhaps it is not out of place in this paper to discuss a little bit of the context of Tanzanian economy at this juncture in relation to SAP. As it can be noted in both ERP I & II the aim has been to reduce the power of state in running the economy of the country. For the past years since 1967 when the famous Arusha Declaration was proclaimed, Tanzania advanced the ideology of socialism (Ujamaa) in which the main and major means of production were nationalized. Industries, big foreign companies, insurances, banks, large plantations and land became directly under the power of the state. State established about 400 parastatals institutions to control the economy of the nation. Peasants were grouped into pre-planned social units - villages called ujamaa villages. (Omari 1976; 1987). To some extent, this policy affected agricultural production in the country. Many studies have been carried out assessing the impact of the ujamaa policy to the agricultural development. In general many of the studies portray a negative impact (Freyhold 1979).

Hyden (1981), discussing the plight of peasants and agricultural development in Tanzania, concluded that in spite of such programme, the peasants were not captured by the state. They were not in the orbit of the free market for they controlled their family farms and traditional productive forces. So one of the aims of the Structural Adjustment Programmes is to put the peasants into the free market orbit and integrate them more and more into the world economic system.

#### **(c) The Impact of the Programmes to the General Rural and Peasant Economies**

The impact of the programmes to the rural communities and their

agricultural development could be summarized in the following manner:

“...for most African countries it (SAP) re-emphasizes what they used to do before independent governments messed it up i.e. producing primary products for the world market” (Loxley 1991:2)

In aggregate terms, however, there are signs of positive gain (Booth et al 1993) which in many cases the donors and international community wish to concentrate and urge the case for more IMF/World Bank involvement in running and managing the economies of the developing countries. There are some statistics which may give us a picture which seem positive contribution of the programme. For example, the real GDP growth rose from 2.6 percent in 1985 to 4.0 percent in 1990. Inflation fell from 33.28 percent in 1985 to 19.7 percent in 1990 (Table 4 below) and the production of stable food like maize, rice, wheat, sorghum and millet rose per capita level from 0.13 tons in 1985 to 0.17 tons in 1989 (Mtatifikolo 1993:6).

It is now said that the inflation has stabilized in the 20s. But the above few figures do not tell us on what people at the household are experiencing and in this case the rural households.

At another level, one can ask the question whether Tanzania has been able to reduce its foreign debt which has been, among other factors, contributed to the continued government pressure on the peasants to produce more cash crops for export. Table 5 below shows the level of foreign debt in Tanzania. It is noted that the foreign debt has been growing fast and this is caused by the

Table 4: Inflation Rates for 1982-1992

Year	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Rates	28.93	27.07	36.13	33.28	32.43	28.95	31.19	25.86	19.70	22.30	22.1

Source: Various documents from Bank of Tanzania

Table 5: Tanzania Outstanding External Debt (in US \$ mill.)

Year	1986	1987	1988	1989	1990	1991	1992
Multilateral	1199	1396	1465	1549	1718	1951	2236
Bilateral	3345	3820	4157	4271	4481	4752	5039

Source: World Bank, *Debt Tables 1986-1992; 1990-1992*.

lack of foreign money to pay for the import bill. This has led the country, like many others, to reschedule the payment of its debts by postponing. However, such arrangement have led to the accumulation of debt servicing charges and interests. Most of the debt are of the World Bank, the IMF and bilateral assistance loans. In the case of payment, in the absence of strong industry sector in Tanzania, it is the peasants who have to pay the debt. The World Bank acknowledges that most poor countries of Africa are unable to pay their debts within the official time - span. Tanzania is one of the poorest countries of Africa. Rescheduling of payment has led in 1991 alone African countries to pay over 26 billion U.S. dollars to its creditors to service the debt (Omari 1993). According to the available information, Africa is about the fifth of the developing world's debt. The continent's debt is equivalent to 90 percent of its GNP and for the Sub - Saharan Africa it is estimated to be 110 percent of the GNP (Daily News, Saturday February 6th 1993).

The figures above vary from year to year because Tanzania has committed itself to reduce its debts even if it is in a small scale. It has not been easy at all, and in many instances there has been writing off debts by the governments which were owned by Tanzania. This has helped to reduce the debts burden. In terms of per capita debt level, Tanzania still remains to be one of the most indebted countries in Sub - Saharan Africa. Total external debt as percentage of GDP rose from less than 20 percent in 1970 to over 280 percent in 1991. The debt service is about US \$ 250 million over the past five years. Tanzania is one of the heavily indebted country in Africa (Ajayi 1991). It is projected that in 1993/94 financial year Tanzania's balance of payment deficit will be 1124.4 million dollars (Economic Trends Vol. 4 Table 6).

Definitely one of the ways to reducing the debt is for the peasants to produce more cash crops and sell them to the world market. The available data show that the value of export of the traditional agricultural products has not been that good. When this is examined closely, it is found that while in some cash crops the production unit might has increased in tonnage, the income realized from the export is less than the previous year as it is shown in Table 6. The reason for such a situation is brought about by the devaluation of the local currency. The prices that are pegged to the primary commodities at the world market are so low and when that is translated into local currency, what the peasants take home is less than what they received in the previous year. This affects very much the buying of imported finished products as shown in Table 8.

If the volume of the traditional cash crops could have fetched high prices in the world market, Tanzania could be able to pay her debt and be able to

Table 6: Tanzania Exports 1980-1990 for the Traditional Cash Crops\*  
(Volume in 000 metric tons; value in US \$ mill.)

Year	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992**
Total				268.03		261.58		224.25		201.4		
Value	338.62	251.78	244.89		198.10		201.24		212.78		233.3	228.6

Source: *Tanzania Economic Trends* Vol.5 No.3, Vol.5 No.4.

\* Traditional Cash Crops are: Coffee, Cotton, Sisal, Tea, Tobacco, Cashewnuts.

\*\* Provisional figures.

import the necessary inputs for development like fertilizer and spare parts or other productive forces needed for rural and agricultural development as shown in Table 8.

Increase in exports has been noticed in the non-traditional export crops since 1986. (Bol 1993; Bagachwa 1993) But even that has declined since 1991 and the reason for such a decline is not known at this moment (Bol 1993: 30-31). However, the data show that the non-traditional export contributed in the following manner: 1986 - 23.5 percent; 1987 - 41.3 percent; 1988 - 33.7 percent; 1989 - 41.1 percent; and 1990 - 48.7 percent.

Given the mismanagement of finances in Tanzanian government, and the fact that non-traditional crops are dominated by private traders, the money which is obtained through the sale of such products does not go to the government coffer. The peasants have to bear the brunt of the debt. That is too much for them as it will be shown in the following section of our paper.

Finally in this subsection we examine the devaluation process of the local currency and what that has to do with the national economy, in particular the rural areas.

So the devaluation of the Tanzanian Shilling when paged in US dollar has plunged the country into the raven. Whatever the peasant receive from the sell of his/her produce does not match the inflation level and the price of the consumer's commodities in the shops.

To illustrate how the devaluation of Tanzanian Shilling has affected the peasants when they want to buy inputs or productive forces, a research team in Germany has unveiled the price changes for the finished products to be imported to Tanzania in the following manner.

The Table 8 clearly demonstrate how much a peasant will have to produce to buy a lorry or a tractor after devaluation. Surely the price has

Table 7: Exchange Rates (one US dollar per TShilings)

Year	1981	1982	1983	1984	1985	1986
Value in TSh.	8.20	8.28	9.28	11.14	15.29	17.47

  

Year	1987	1988	1989	1990	1991	1992	1993
Value in TSh.	32.70	64.26	99.29	142.50	192	226	460

Source: Various reports from Bank of Tanzania.

Table 8: Price Changes of finished Products in Primary Commodities Values

The Item	1985	1989
A Lorry (6-10tons)	92.5 bags of Coffee or 44.3 tons of Bananas	332.6 bags of Coffee or 69.4 tons of Bananas
A Tractor(37-59 Kw)	54.9 bags of Coffee or 26.3 tons Bananas	90.0 bags of Coffee or 39.7 tons of Bananas

Source: Protestant Church in Hesse and Nassau Germany 1993.

gone up since 1989 and will be required to produce more to get what is essential requirement in the agricultural development.

#### 4. An Assessment of the SAP's Impact to the Agricultural Production and Rural Development

The general argument put forward by the IMF and the World Bank is that the aim of SAP is developmental in that it aims at alleviation of poverty (Kiljunen 1988; Landell - Mills 1988) and the promotion of economic stability (Cheney 1989). Sponsored researches and evaluation exercises of the programme in Tanzania have concluded that in general people have benefited from the programme (Booth et al 1993). However, other studies from the field shows that people, especially the rural people, are suffering as a result of the introduction of SAP (Omari 1993; Hammoud and McGowan 1993; Mascarenhas 1994; Chungu and Mandara 1994). It is worse for women as it will be discussed below.

### (a) The Case of Coffee Production

Coffee has been one of the leading cash crops which has been earning substantial amount of money in foreign exchange for Tanzania. While the price of world price for the product has generally declined since 1987 as shown in Table 9 below, the prices of inputs have generally been increasing.

As it can be noted in Table 9 below, coffee production has been declining not in volume as such for in 1990 and 1991 the production had increased, perhaps due to the campaigns by the state on the importance of coffee production in the national economy. But it is the value that has been declining drastically. That depresses the peasants especially when they want to buy inputs from abroad. At a time, peasants on Kilimanjaro region, one of the coffee producing regions in Tanzania, resorted to the cultivation of beans, tomatoes and other crops which fetched more money in the local markets instead of clinching to coffee production which had poor price in the world market. But since it is considered illegal by the government to destroy the coffee trees, many peasants decided instead not to take care of the coffee trees, hence less production.

Table 9: Coffee Value for 1980-1992 (Volume in 000 metric tons; Value in US \$ mill.)

Year	1980	1981	1982	1983	1984	1985
Volume (mt)	43.54	67.88	54.76	50.70	54.96	44.02
Unit Price	3293	2314.00	2269.00	2570.00	2795.00	2692.00
in TSh.	143.38	157.09	124.24	130.29	153.59	118.50

  

Year	1986	1987	1988	1989	1990	1991	1992*
Volume (mt)	50.38	48.34	38.67	49.92	87.1	73.0	53.4
Unit Price	3666.00	2263.00	2493.00	2164.26	1514.3	1274.1	1288.4
in TSh.	184.67	109.40	96.70	108.04	131.9	93.0	68.8

Source: *Tanzania Economic Trends* Vols.4 and 5.

\* Provisional.

On the other hand, the prices of the inputs have been increasing every year as Table 8 above shows. Also in Table 10 below it is clearly shown that things have changed. It has become very difficult for the peasants to afford buying the inputs for what they are paid for the production of their produces does not meet the cost of the production. The Tanzania Coffee Traders Association in their submission to a workshop organized by the Evangelical Lutheran Church in Tanzania, and held at Moshi Tanzania, March 26th - 9th 1993 concluded that:

“Liberalization is a necessary process in the effort to provide the most cost effective services to the farmer. However, neither a liberalized trade, nor a centralized marketing system can solve the current overall deficit situation facing the coffee industry through low world market prices” (p.5)

In matters of input Table 10 below summarizes the situation very well.

Table 10 shows how the prices for the inputs have gone up four to five times in some products after the SAP had been introduced in Tanzania. Such increase affects the peasant and agricultural development very much since the devalued currency does not match the set prices for the finished products. Thus it could be urged that SAP emphasis on more production of the local commodities for the world markets but force people to buy very expensively

Table 10: Prices of Input in Coffee Industry (in TSh.)

Type	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92
<u>Chemical Fungicides</u>						
Kocide (100kg)	169.70	203.59	383.34	546.00	-	592.50
Blue Copper (kgs)	283.33	283.33	288.00	288.20	288.20	400.40
Bayleton (kgs)	1374.70	2963.78	594.00	-	644.50	772.77
Bravo (ltrs)	378.90	875.50	795.00	795.00	-	1719.50
Dyrene (ltrs)	482.00	1034.80	1324.20	1023.00	-	-
Octave (kgs)	-	-	-	-	-	4538.40
Red Copper	-	159.49	390.00	390.00	-	557.40
<u>Insecticides</u>						
Dursban (ltrs)	-	1028.45	1028.25	1292.00	1431.85	2135.30
Selecron (ltrs)	-	-	2052.97	2029.00	3876.00	-
Thiodan (ltrs)	26.85	727.40	871.10	871.85	-	-
Dieldrin (ltrs)	290.80	581.66	-	-	-	-

Source: Kilimanjaro Native Cooperative Union - various years.



the necessary imported inputs for the development of the agriculture. Given the Tanzanian economy whereby recent import duties on these inputs have increased between 20-40 percent, the peasants are the hardest hit (The Express January 9th - 12th 1994:4). For example a coffee tray wire which used to cost Tsh 35.00 in 1983/84 it is now about Tsh 450.00 per piece. This is too expensive for an ordinary peasant to afford.

### **(b) The Case of Women**

In Tanzania women contribute about 80 percent of the rural labour force. They are the one who make the rural development and its economies flourish. They are also the labour force that make the households survive. With the emphasis on the drive for more production of cash crops, women are forced to spend more in cash crops production than food crops where they have played their roles very effective.

Women's situation under structural adjustment programmes has been studied and analyzed in detail by many scholars. In a very recent publication (Gladwin 1991) the focus on peasant women and the impact of SAP to their multi-roles in the production and reproduction has raised many important points which are related to what we are discussing in this paper. In this volume, chapter after chapter, based on various case studies including that of Tanzania by Meena (1991) discusses the plight of women under the SAP.

Women belong to the communal and household labour force which does not pay well. In case of their contribution to the production of cash crops, sometimes they even do not control the income since it is the men who own and control the cash crops while women control food crops. In the case of low prices paid to the men at cooperative markets, the share to the women becomes much smaller and smaller. Yet they are told to produce more and more because that is what the world market demands.

On the other side, in their role as reproducers in the society, health services is very crucial for their contribution to the rural labour force. But since SAP has affected budget cut in the health sector, and the government has introduced the implementation of the SAP by introducing cost sharing in health, women becomes the victims. The reproductive health is likely to be neglected and the possibility of high maternal deaths occurring in Tanzania is high too. Already some women have been forced to deliver outside the hospital in Musoma region in January 1994 for they did not have money to pay for the cost sharing to enable them enter to maternity wing. If the health of the women is in danger, even their contribution to the agricultural

production will be less. Rural development will not be realized as it was focused when SAP was adopted as a strategy to revive the Tanzania economy.

Finally I would like to discuss briefly the impact of SAP to the peasants, economic system in general. In this paper I have stressed that women constitute the majority of the rural labour force cultivating small family farms. In Tanzania small holders have been the main contributors to the national agricultural development. With the introduction of SAP, large scale farming is being reintroduced again through joint venture and capitalist cultivation. So plantation economy is back through Structural Adjustment Programmes whereby the large farms are owned by the multinationals and the people with capital to invest in farming. On the other hand as it has been pointed out above, inputs are becoming very expensive for the peasants to buy. Hence the small holders farmers are being systematically thrown out of the agricultural business.

Such a process will eventually lead to the rural-urban or rural-plantation migration. The able people, youth and women will have to leave their agricultural business in rural areas and join the migratory labour force. Since SAP is connected with the devaluation process, these new labour migration will constitute of cheap labour, people who are forced to leave the rural areas because the agricultural business is becoming expensive and may sell cheaply their labour power to get some few money for their survival. At that level the peasants will have been "captured" (Hyden 1981).

In addition to the above, since plantation economy is introduced so as to produce commodities for the world market, the emphasis will be put on the cash crop production at the expense of food crop production. That may lead to the importation of food like maize and rice which are staple food for many Tanzanians. In the past, in spite of its subsistence nature, the rural economy was able to sustain itself at household level. Structural Adjustment Programme has robbed the peasants with that power.

### **Concluding Remarks**

This paper has been short. It has concentrated mainly on agricultural and rural development process in Tanzania in the light of SAP experience in Tanzania. The experience that we can draw from Tanzania is that SAP has caused many problems to the country's economy and I do not see how it will be a successful. If what the people are experiencing as problems are of short term as claimed by the IMF, when will that short term end and the people to begin see the fruits of SAP?. As it stands now, there is no light in the tunnel.

The experience has been negative especially among the peasants and poor mass in spite of certain conclusion arrived at by targeted researches and evaluation.

## END NOTES

1. The research was conducted in 1992/93 academic year. The author would like to acknowledge with thanks the following students who assisted him in the collection of data at various stages of the research: Ms. M. Lumwe, Ms. A. Mshana and Mrs. Ndabise. Also would like to thank the Evangelisches Missionswerk in Deutschland for financial assistance.

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